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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/523,653	03/10/2000	Jay S. Walker	99-062	5172
22927	7590	09/08/2004	EXAMINER	
WALKER DIGITAL FIVE HIGH RIDGE PARK STAMFORD, CT 06905			COLBERT, ELLA	
			ART UNIT	PAPER NUMBER
			3624	
DATE MAILED: 09/08/2004				

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/523,653

Applicant(s)

WALKER ET AL.

Examiner

Ella Colbert

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 09 June 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-58 is/are pending in the application.
- 4a) Of the above claim(s) 25-34, 36-55, 57 and 58 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-24, 35 and 56 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- ☒ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- ☐ Notice of Informal Patent Application (PTO-152)
- ☐ Other: \_\_\_\_\_

### **DETAILED ACTION**

1. Claims 1-58 were originally pending. A provisional election was made without traverse to prosecute the invention of Group I, claims 1-24, 35, and 56 (specifying, identifying, and selecting an auction behavior) in this communication filed 06/09/04 entered as Response to Election/Restriction. Claims 25-34, 36-55, 57, and 58 are withdrawn from further consideration by the Examiner as being drawn to a non-elected invention.

#### ***Claim Rejections - 35 USC § 112***

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 1, 21, 35 and 56 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 1, 21, 35, and 56 appear to have at least one step missing from the claim.

What does Applicant consider to be the specifying the auction behavior in claim 1? Does Applicant mean the controlling of a rule when the bid can be placed? What is the means for identifying an auction behavior in claim 21? What is the behavior selector or behavior criteria in claim 35? What is the determined behavior of each of the concluded auctions?

#### ***Claim Rejections - 35 USC § 101***

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the

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conditions and requirements of this title.” *Diamond v. Chakrabarty*, 447 U.S. 303, 308-09, 206 USPQ at 193, 197 (1980).

5. Claims 1-20 and 56 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

(1) whether the claimed subject matter is directed to a “practical application”; or  
(2) whether the invention produces “a useful, concrete and tangible result.”, that is, whether the claimed subject matter is applied in a practical manner to produce a useful result. “[C]ertain types of mathematical subject matter, standing alone, represent nothing more than abstract ideas until reduced to some type of practical application, i.e., ‘a useful, concrete and tangible result.’ (*State Street*, 149 F.3d 1373, 47 USPQ2d at 1600-01 (citing *Alppat*, 33 F.3d 1544, 31 USPQ2d at 1557)).

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract ideas, law of nature, natural phenomena) that do not apply, involve, use, or advance technological arts fail to promote the “progress of science and the useful arts” (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

(A) In the present case, claims 1 and 56 recite an abstract idea only. The recited method steps of the claim merely, specifying an auction behavior, specifying at least one rule, receiving information, determining a behavior, and selecting the behavior do not apply, involve, use, or advance the technological arts since all of the recited method

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steps can be performed in the mind of the user or by use of a pencil and paper. These steps only constitute an idea of how to specify an auction behavior, specify at least one rule, receive information, determine a behavior, and select the behavior. The claims do not have a computer performing the method in the preamble or a user accessing information at the computer or selecting at the computer a means for payment.

(b) Dependent claims 2-20 further define placing, specifying, and receiving a bid and an auction behavior, which only constitute ideas that can be performed mentally or by pencil and paper, therefore still do not represent a practical application of the idea to advance the technology art. Dependent claims 2-20 are therefor rejected.

In addition, for a claimed invention to be statutory, it must produce a useful, concrete, and tangible result. In the present case, the claimed invention produces a method for specifying an auction behavior and at least one rule (i.e., repeatable) used for controlling when a bid is placed (i.e., useful and tangible).

Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claims 1-20 and 56 are deemed to be directed to non-statutory subject matter.

With respect to the rejection under 35 U.S.C § 101, the Examiner asserts that the claimed invention does not fall within the technological arts because no form of technology is disclosed or claimed.

Suggestion: Claim 1 A computerized method for managing an auction, comprising: specifying an auction behavior; and a user specifying at the computer at least one rule for controlling when a bid ....".

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Claim 58 A computerized method for determining a beneficial auction behavior for an auction of an item comprising: receiving at the computer information indicating an outcome and bidding information ...".

***Claim Rejections - 35 USC § 103***

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 21-24 and 35 are rejected under 35 U.S.C. 103(a) as being unpatentable over (US 6,012,045) Barzilai et al, hereafter Barzilai.

As per claim 21, Barzilai teaches, A system for managing an auction, comprising: means for identifying an auction behavior (col. 2, lines 25-54); and means for identifying at least one rule for controlling when a bid may be placed automatically for a bidder in the auction according to the selected auction behavior (col. 7, lines 17-34). Barzilai did not specifically disclose when a rule for controlling when a bid may be placed automatically for a bidder. However, Barzilai does teach a customer reviewing the rules regarding the bid, auction, and sale system and it would have been obvious to a skilled artisan for Barzilai to control when a bid may be placed automatically for a bidder in view of Barzilai's teachings of auction rules and bidding.

As per claim 22, Barzilai teaches, A system for managing an auction, comprising: an auction behavior selector providing an indication of a selected auction behavior

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(col.10, lines 44-63; and a rule generator having an input for receiving an indication of the selected auction behavior and an output providing at least one rule for controlling when a bid may be placed automatically for a bidder in the auction to encourage the selected auction behavior (col. 4, lines 7-10, col. 5, lines 25-40, and col. 10, lines 53-67). Barzilai did not specifically disclose a rule generator having an input ... and an output providing at least one rule ...". However, Barzilai did disclose rules regarding the bid and auction and a rule display. It would have been obvious to one having ordinary skill in the art that a skilled artisan would have incorporated a rule generator with an input for receiving and indication of the selected auction behavior and an output providing at least one rule for controlling a bid ... in view of Barzilai's teachings of rules, a password control and a rule display.

As per claim 23, Barzilai teaches, The system of claim 22, wherein the auction behavior selector comprises: a comparator having an input for receiving the information about the at least one prior auction and information about the auction, and an output for providing an indication of at least one of the prior auctions similar to the auction (col. 22, lines 49-67); a selector having an input for receiving the indication of one or more of the prior auctions identified as similar to the auction and an output for providing an indication of the auction behavior associated with a selected one or more of the prior auctions (col. 21, lines 63-67 and col. 22, lines 1-14).

As per claim 24, Barzilai further teaches, A computer program product comprising: a computer readable medium (col. 3, lines 54-60); and computer program instructions

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stored on the computer readable medium, wherein the computer program instructions (col. 5, lines 18) to perform the steps of claim 24.

This independent claim is rejected for the similar rationale as given above for claim 21.

As per claim 35, Barzilai teaches, A system for selecting an auction behavior for an auction, comprising: a behavior database in which associations between information about auctions and auction behaviors is stored (col. 6, lines 27-37 and fig. 2); and a behavior selector having an input for receiving information about the auction and an output for providing an indication of an auction behavior for the auction using the behavior database (col. 6, lines 39-50).

### ***Conclusion***

8. The prior art made of record and not relied upon is considered pertinent to Applicant's disclosure.

Alaia et al (US 6,230,146 B1) disclosed controlling closing times of electronic auctions.

### ***Inquiries***

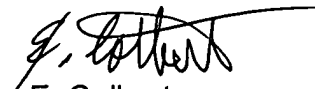
9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Ella Colbert whose telephone number is 703-308-7064. The examiner can normally be reached on Monday-Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on 703-308-1038. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.



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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



E. Colbert  
September 2, 2004